REMARKS

Claims 62-95 are pending in this application, with Claims 62, 63, 66, 68, 69, 72, 73, 74, 75, 76, 77 and 78 amended and Claims 1-61 previously cancelled. Applicant respectfully requests reconsideration and review of the application in view of the foregoing amendments and the following remarks.

Applicant has amended Claims 62, 63, 66, 68, 69, 72, 74, 75, 76, 77 and 78 to remove limitations defining a "personal communication" as including chat, IM, SMS, video messages and voice messages. As discussed below, the Examiner asserts that the earlier submitted conception evidence does not support these claim limitations. Applicant disagrees, and maintains that a "personal communication" is well understood in the art as encompassing these known forms. Nonetheless, in an effort to expedite allowance of the present application and remove potential issues on appeal, Applicant has opted to cancel these limitations from the claims. To further clarify the invention, Applicant has amended certain claims to recite a "personal electronic communication." The amended term is deemed fully supported by the specification and other evidence of record, and is well understood by persons skilled in the art.

The Examiner rejected Claim 66 under 35 U.S.C. § 112, first paragraph, as lacking enablement. Claim 66 recites, *inter alia*, a Web host that provides the function of "identifying a type of network device used by said at least one recipient." The Examiner asserts that "an email delivery system cannot know what type of device the recipient will use to access the email." *See* Office Action, page 7. Applicant respectfully disagrees. As a fundamental matter, the Examiner provides no support for this statement. To the extent that the Examiner relies on official notice of facts to support this or other grounds of rejection, Applicant submits that such official notice must be supported by evidence. Nevertheless, in an effort to expedite allowance of the present application and remove potential issues for appeal, Applicant has amended Claim 66 to remove the limitation objected to by the Examiner.

The Examiner also rejected Claim 73 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject

matter which applicant regards as the invention. Claim 73 recites "the method of Claim 70, wherein the step of sending additional communication data further comprises receiving said additional communication data from a third party advertiser." The Examiner asserts that is it "unclear how a step of sending can comprise a step of receiving" the same communication data. Applicant has amended the claim to clarify that the communication data being sent is first received from a third-party advertiser. Applicant considers the amended claim sufficiently definite and supported by the record.

The Examiner rejected Claims 62-66, 68-70, 62-76, 79-95 under 35 U.S.C. § 103(a) as unpatentable over Stanbach, Jr. et al. in view of Andrews. The Examiner also rejected Claims 67 and 71 under 35 U.S.C. § 103(a) as unpatentable over Stanbach, Jr. et al. in view of Andrews and Camut et al. and Claim 77 as unpatentable over Stanbach, Jr. et al. in view of Andrews and Goldhaber. These rejections are respectfully traversed.

In Applicant's prior response, Applicant presented evidence of conception of the invention prior to Stanbach and Camut, thereby eliminating these references as prior art. The Examiner responded by asserting that the evidence presented did not establish each limitation of every claim, and thus maintained the references as prior art against the claims. The Examiner asserts, *inter alia*, that the following claim limitations are not supported by the conception evidence which enables the Examiner to apply the stated references as prior art:

- Compensating the sender or receiver with a free service for the advertising.
- Selecting the advertisement based on the content or subject matter of the communication data.
- Selecting the advertisement based on user-provided "advertisement-type" preferences. *See* Office Action, page 3.

Applicant respectfully disagrees, and asserts that the evidence of record shows the conception of the claim limitations. For the sake of brevity, Applicant does not reiterate all of the previously raised arguments in this response. However, Applicant reasserts that the evidence presented plainly shows a conception date which predates

Stanbach and Camut. Moreover, to remove any remaining doubt, Applicant submits the Declaration of Mr. Jean Paul Schmetz ("Schmetz Decl.") which further corroborates Applicant's prior conception testimony.

Mr. Schmetz is the former CEO of CyberLab, a European software development company. In April 1999, Applicant sought the assistance of Mr. Schmetz and CyberLab to develop a software implementation of the invention. After various discussions regarding the invention and implementation details, Mr. Schmetz and CyberLab prepared two design proposals for Applicant's consideration. Mr. Schmetz thus has in depth and first-hand knowledge of events that corroborate Applicant's asserted conception date. The conception evidence and Mr. Schmetz's declaration together show that Applicant conceived of the claimed invention prior to Stanback and Camut.

As a starting point, the use of witness testimony to corroborate inventor testimony is well accepted by courts considering the question of prior conception. Generally, a "rule of reason" analysis is applied to determine whether an inventor's prior conception testimony has been sufficiently corroborated. *See Coleman v. Dines*, 754 F.2d 353, 360 (Fed. Cir. 1985); *Price v. Symsek*, 988 F.2d 1187, 1195 (Fed. Cir. 1993). A trier of fact must evaluate all pertinent evidence so that a sound determination of the credibility of the inventor's story may be reached. *Coleman*, 754 F.2d at 360. And, while inventor testimony undoubtedly requires corroboration, *witness testimony* requires no such corroboration. *See Holmwood v. Sugavanam*, 948 F.2d 1236, 1240 (Fed. Cir. 1991) ("'only an inventor's testimony needs corroboration'") (citing *Borror v. Herz*, 666 F.2d 569, 573 (CCPA 1981)). Instead, witness testimony is weighed according to the interest and knowledge of the witness. *See In re Reuter*, 670 F.2d 1015, 1021 n.9 (CCPA 1981) (factors relevant to a corroborating witnesses' credibility include: interest of corroborating witnesses, contradiction or impeachment, the corroborating witnesses' familiarity with the details of the events).

An application of the relevant factors presented in *Reuter* to the present case indicates that Mr. Schemtz's testimony must be accorded significant weight. First, Mr. Schmetz has no personal interest in this patent application. *See Schmetz Decl.*, ¶ 2.

Nor does Mr. Schmetz have any current business relationship with Applicant. *Id.* Furthermore, Mr. Schmetz has intimate knowledge of the conception events since he worked closely with Applicant to develop multiple design proposals. Most importantly, Applicant's testimony, Mr. Schmetz's testimony, and the physical evidence all consistently support the same conclusion: that Applicant conceived of the invention and worked extensively with CyberLab to develop an implementation of the invention prior to August, 1999, i.e., prior to Stanbach and Camut.

The Schmetz declaration demonstrates that each of the claim limitations asserted by the Examiner as not supported by Applicant's conception evidence were in fact conceived prior to Stanbach and Camut. This is plainly shown by the following discussion.

A. The evidence of record supports prior conception of compensating a sender or receiver with a free service

The Examiner asserts that the conception evidence does not adequately support the feature of compensating the sender or receiver with a free service in return for sending the advertisement. The Examiner further asserts that "while a term 'FreeMail' was used..., it is unclear what was 'free' and whether any free service was provided as compensation for the presence of advertising." Office Action, page 3. Applicant respectfully disagrees.

At the time the CyberLab documents were written, many service providers, whether Internet Service Providers (ISPs) or stand alone email services, were charging fees in exchange for their e-mail services. Some providers, however, had started offering free email services. Hence, the term FreeMail was generally used to distinguish these free email providers from the traditional pay ones, just as the name "FreeMail" suggests. This is consistent with the use of the term in the evidence. *See* CyberLab Detailed Proposal (Schmetz Decl., Exhibit C) Section 3.2 ("@dmail operates as a recipient oriented system. This means that a FreeMail-service must be set up to handle a participant's emails.").

Furthermore, in his declaration, Mr. Schmetz states that "section 3.2 [of

CyberLab's Detailed Proposal (Schmetz Decl., Exhibit C)] discusses the possibility of providing users with a FreeMail service to handle a participant's emails. [Applicant and Mr. Schmetz] understood a FreeMail service to be an email service that was provided free of cost to the participant to enable the insertion of advertising in connection with their emails." Schmetz Decl., ¶ 7. Mr. Schmetz goes on to state that the claim limitation of providing free services in return for advertising was conceived of as early as April 15, 1999. *See id.* at ¶ 5 (during the April 15, 1999 meeting Applicant explained that "compensation would be in the form of redeemable points or *free services*") (emphasis added); *see also id.* at ¶ 7 ("In June 1999, I finalized the implementation details with [Applicant].") Thus, the evidence shows that Applicant conceived of compensating users with a free service on or before April 15, 1999.

B.   <u>The evidence supports prior conception of selecting the advertisement based on the content or subject matter of the communication data</u>

The Examiner asserts that the conception evidence does not adequately support the feature of selecting the ad based on the content or subject matter of the communication data. On this point, Mr. Schmetz confirms that on April 15, 1999, Applicant explained that in addition to allowing users to manually select the advertisements that would be inserted into communications "the software would be able to automatically select and insert an advertisement into a communication based on the content or subject matter of the communication." Schmetz Decl., ¶ 5. Although this feature was not captured in CyberLab's Draft Proposal (Schmetz Decl., Exhibit B), Mr. Schmetz makes clear that "[Applicant and I] had discussed the feature of automatically selecting advertisements based on the content of the message." *Id.* at ¶ 6. Furthermore, the feature was ultimately captured in CyberLab's Detailed Proposal. *See* CyberLab Detailed Proposal (Schmetz Decl., Exhibit C) Section 3.1.1 ("The participant needs to register at @mail. He will be asked for his personal interests and those of his addressees to assist in the proper selection of advertisement.... All advertisements which fit into a participant's field of interests [may alternatively] be assigned to his email

by random selection"); *see also* CyberLab Draft Proposal (Schmetz Decl., Exhibit B) ("The users sends an email to the outgoing mail server. An ad is attached to it automatically."). Thus, the evidence shows a conception date on or before April 15, 1999 for the claim limitation of automatically selecting advertisements based on the content or subject of the communication data.

C. The evidence supports prior conception of selecting the advertisement based on user-provided "advertisement-type" preferences

The Examiner asserts that the conception evidence does not adequately support the feature of selecting the advertisement based on user-provided "advertisement-type" preferences. To the contrary, the evidence shows that ad selection based on user preferences was conceived on or before May 27, 1999. *See* CyberLab Draft Proposal (Schmetz Decl., Exhibit B) ("It is the intention of creating an advertisement system that would: 1) Allow users to register to the system and select which advertisement they would like to include to their emails. *Users should be able to go to a fairly high level of details (i.e. do not include advertisements on email going to my boss....* The user registers at @dmail and customizes the service for himself (*e.g. Don't send ads to my boss, include this book from Amazon on every other emails but not more than once...*)") (emphasis added).

Additionally, Mr. Schmetz's declaration corroborates this evidence. *See* Schmetz Decl., ¶ 5 ("the software would also be able to automatically select and insert an advertisement into a communication based on... the sender's predefined user preferences"). Together the CyberLab Draft Proposal and the Schmetz Declaration provide clear evidence that Applicant conceived of the claim limitation of selecting advertisements based on user-provided preferences on or before May 27, 1999.

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Because the evidence supports a conception date that predates Stanbach and Camut, these references do not qualify as prior art as against the claims. Applicant notes that the Examiner did not specifically raise any formal objections to Applicant's

evidence with respect to diligence in reduction to practice, and indicated that reduction to practice would be considered once an adequate showing of prior conception was established. Regardless, Applicant considers the record sufficient to show such diligence in reducing the invention to practice. Accordingly, Applicant respectfully requests that the Examiner withdraw all rejections based on these references.

In addition, the Examiner acknowledged that "Stanbach does not appear to compensate the participants for the presence of the advertising." Office Action, page 8. To make up for this deficiency, the Examiner now contends that Andrews discloses compensating participants for the presence of advertising since Andrews "teaches that Hotmail provided users with free email accounts in exchange for allowing them to include advertising in each email." *Id.* Applicant respectfully disagrees.

There is a fundamental distinction between Andrews and the present invention. Unlike with the invention, Hotmail users had no control over the type of advertisement that would be inserted. Indeed, Andrews makes clear that there was only one, predefined advertisement: Hotmail's own advertisement for *its own free email service*. *See* Andrews, page 2 (the Hotmail advertisement was a "footer that said that Hotmail had free e-mail accounts available for the taking.") Hotmail did not offer third-party advertisements, and Anderson provides no teaching or suggestion of such attributes. In contrast, Applicant provides a service that permits insertion of a dynamic, user-customizable, third-party advertisement that may reflect the preferences of the user or the recipient in exchange for points or free services. For example, an advertisement could be selected based on the content of the message. In the time since the filing of the present application, the use of such content-based advertisement placement has become commonplace. But, it was plainly not contemplated or suggested by Andrews. The rejection of claims based on Andrews should be withdrawn for this reason in addition to the reasons presented above.

Accordingly, Applicant respectfully submits that Claims 62-95 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited. If it would be helpful to placing this

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application in condition for allowance, Applicant encourages the Examiner to contact the undersigned counsel and conduct a telephonic interview.

To the extent necessary, Applicant petitions the Commissioner for a three-month extension of time, extending to July 9, 2007 (the first business day following July 8, 2007), the period for response to the Office Action dated January 8, 2007.

The Commissioner is authorized to charge in the amount of $510. for the three-month extension of time pursuant to 37 CFR §1.17(a)(3), any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-0639.

Respectfully submitted,

Date: July 9, 2007

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Enclosure: Declaration of Jean Paul Schmetz

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